



Anne M. Grealy
Senior Advisor, Government &
Regulatory Affairs
68 State Circle
Annapolis, MD 21401
410.310.2544
agrealy@firstenergycorp.com

HB 1014 Electricity – Considerations for Certificate of Public Convenience and Necessity 2 and Overhead Transmission Lines

Unfavorable

Potomac Edison, a subsidiary of FirstEnergy Corp., serves about 270,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington Counties). FirstEnergy is dedicated to safety, reliability and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York.

Potomac Edison requests an Unfavorable report on HB 1014 for the following reasons.

Potomac Edison is obligated to ensure reliable service to our customers, which includes responding to changes in conditions that affect reliability with solutions that provide maximum benefit, minimize impact to property owners, and avoids unnecessary economic burden to our customers. Load centers and generation sources are changing. These dynamic forces can and do result in a critical need for upgrades to the transmission system, including the construction of new infrastructure. The proposed legislation unnecessarily encumbers the existing regulatory process, the Certificate of Public Convenience and Necessity (CPCN), directed by the Maryland Public Service Commission (PSC) and could add a significant economic burden to customers, and risks compromising the ability of utilities to appropriately upgrade the electric system. HB 1014 requires the PSC to consider whether the applicant's design prioritizes the use of existing infrastructure or upgrading existing infrastructure. It also states that an overhead transmission line cannot be constructed within one mile of a conservation easement unless there is an exceptional showing of good cause. The PSC already considers use of existing structures, so the statutory language is unnecessary. Additionally, creating an "almost never build" zone of one mile around every conservation easement in the state will in effect block most or all new power lines. The bill is contrary to the public interest and constrains the PSC's ability to balance all appropriate factors in siting transmission lines.

In order to avoid these negatives, Potomac Edison respectfully requests an **unfavorable report** on HB 1014.